

ORIGINAL

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

Commissioner	Yes	No	Not Participating
Zay	√		
Deig	√		
Swinger	√		
Veleta	√		
Ziegner	√		

**VERIFIED PETITION OF NORTHERN INDIANA)
PUBLIC SERVICE COMPANY LLC FOR) CAUSE NO. 45947 GCT 3
APPROVAL OF AN ADJUSTMENT TO ITS)
ELECTRIC SERVICE RATES THROUGH ITS) APPROVED: MAR 25 2026
GENERATION COST TRACKER ADJUSTMENT.)**

ORDER OF THE COMMISSION

**Presiding Officers:
David E. Ziegner, Commissioner
Sean Gorman, Administrative Law Judge**

On December 16, 2025, Northern Indiana Public Service Company LLC (“Petitioner”) filed its Verified Petition for Indiana Utility Regulatory Commission (“Commission”) approval of Generation Cost Tracker Adjustment (“GCT Adjustment”) factors. Also on December 16, 2025, Petitioner prefiled its case-in-chief, which consisted of the testimony and attachments of Kevin J. Blissmer, Manager of Regulatory of NiSource Corporate Services Company and Robert Ridge, Petitioner’s Manager of Project Engineering.

On February 2, 2026, NIPSCO filed a revision to Attachment 3 to its Verified Petition.

On February 16, 2026, the Indiana Office of Utility Consumer Counselor (“OUCC”) filed the testimony of Brittany L. Baker, Utility Analyst in the OUCC’s Electric Division.

On February 19, 2026, Petitioner filed a notice of intent not to file rebuttal testimony.

The Commission held an evidentiary hearing in this Cause at 1:00 p.m. on March 6, 2026, in Room 222 of the PNC Center, 101 West Washington Street, Indianapolis, Indiana. Petitioner and the OUCC, by counsel, participated in the evidentiary hearing. At the hearing, the parties’ respective prefiled testimony and exhibits were admitted without objection.

Based upon the applicable law and the evidence of record, the Commission now finds:

1. Notice and Jurisdiction. Notice of the hearing in this Cause was given as required by law. Petitioner is a public utility defined in Ind. Code § 8-1-2-1. Pursuant to Ind. Code § 8-1-2-42, the Commission has jurisdiction over Petitioner’s rates and charges for utility service, including tracking mechanisms. Thus, the Commission has jurisdiction over Petitioner and the subject matter of this Cause.

2. Petitioner’s Characteristics. Petitioner’s principal office is located at 801 East 86th Avenue, Merrillville, Indiana. Petitioner is engaged in rendering electric public utility service in Indiana and owns, operates, manages, and controls, among other things, plants and equipment

within Indiana used for the production, transmission, delivery, and furnishing of such service to the public.

3. Background and Requested Relief. The Commission’s October 16, 2024 Order in Cause No. 45947 (“45947 Order”), approved, among other things, Petitioner’s request for (1) a Certificate of Public Convenience and Necessity for construction of a natural gas combustion turbine peaking plant (“CT Project”); (2) approval of the estimated costs incurred during construction of the CT Project; (3) timely recovery of the return on capital and other appropriate costs during construction and after the CT Project is placed in service but before inclusion in base rates through Rider 595 – Generation Costs Tracker and Appendix L – GCT Adjustment; and (4) approval of ongoing review of the CT Project.

In its 45947 Order, the Commission approved Petitioner’s forward-looking GCT Adjustment to recover the return on capital and other appropriate costs during construction and after the CT Project is placed in service but before inclusion in base rates. Petitioner will recover these costs in a semi-annual forecasted capital tracker until such time as the CT Project is included in base rates after being placed in service. Any variance from the forecasted tracker revenue requirement and the amounts collected to the actual revenue requirement based on the final books and records will be captured in a reconciliation within each tracker filing as historical actual periods are available for each tracker filing. The recovery of the GCT Adjustment will be allocated among rate classes based on demand. Petitioner will allocate the costs associated with the CT Project based on its Commission approved demand allocators for the GCT Mechanism, whereby the demand allocators are based upon revenue attributable to each of Petitioner’s rate schedules used to establish its electric base rates. Additionally, Petitioner will adjust its allocation percentages to reflect the significant migration of customers amongst the various rates for each semi-annual tracker filing. The Commission also approved Petitioner’s request that the operating income associated with the CT Project recovered through the GCT Mechanism be included in the total electric Comparison of Electric Operating Income for purposes of the Ind. Code § 8-1-2-42(d) earnings test.

In the 45947 Order, the Commission ordered Petitioner to report to the Commission a summary of the information related to the CT Project as contemplated under Ind. Code § 8-1-8.5-6(a), including any changes to scope, schedule, and the best estimate. The Commission further directed Petitioner to include in its initial report the following: (1) manufacturer, model number, and operational characteristics of the turbine generator and (2) anticipated total annual MW-hour (“MWh”) output for the CT Project in each of its semi-annual GCT filing stylized as 45947 GCT XX. The Commission further directed that Petitioner’s initial report shall be filed on or before December 30, 2024, as a compliance filing in Cause No. 45947. The Commission also ordered Petitioner to file with the Commission semi-annually in Cause No. 45947 a summary of the information related to the CT Project, including safety, scope, schedule, and owner’s cost contingency, as well as revisions to the cost estimate and update on the natural gas transportation and lateral pipeline. In addition, Petitioner shall include an update on any supply-chain-related challenges and/or delays beginning on December 30, 2024. The final project report, which shall be filed under Cause No. 45747, shall contain the following information: (1) the actual total cost of construction; (2) the total MW output for the facility; and (3) the actual in-service (commercial operation) date for the facility.

In Cause No. 45947 GCT 1 (“GCT 1 Order”), the Commission found that Petitioner should use the lower of the allowance for funds used during construction rate or weighted average cost of capital in its future GCT filings.

In this proceeding, Petitioner requests Commission approval of GCT Adjustment factors to be effective for electric services rendered on or after May 1, 2026, to remain in place until replaced by different factors approved in a subsequent filing.

4. Summary of the Evidence. Mr. Blissmer described how the GCT revenue requirement is calculated and explained each of the schedules supporting the proposed GCT Adjustment factors. He explained that Schedule 1 shows the calculation of the revenue requirement and the allocation of costs based on demand to derive the proposed GCT Adjustment factors. He further explained that Schedule 2 shows the projected weighted average net capital for the forecast period of May through October 2026 (“forecast period”). He stated that Schedule 3 shows the projected expenses for the forecast period, and that Schedule 4 shows the reconciliation of costs for the period May through October 2025.

Mr. Blissmer stated that the total forecasted GCT costs and any prior period variance are allocated to each rate class using the demand allocators approved in Petitioner’s most recent rate case order (Cause No. 46120), adjusted for migrations, if applicable. He explained that any prior period variance is allocated to each rate class using the demand allocators in effect during the reconciliation period. He explained that these allocated costs by rate are then divided by the forecasted energy sales for the billing period to determine the individual billing components which comprise the GCT Adjustment factor for each rate.

Mr. Ridge supported the forecasted construction costs included within Petitioner’s proposed GCT Adjustment factors in this proceeding and sponsored Petitioner’s Semi-Annual Report as required by the 45947 Order. He testified that he provided Mr. Blissmer with the forecasted construction costs included in Petitioner’s proposed GCT Adjustment factors in this proceeding. He testified that Petitioner has complied with the Commission’s ongoing review requirements set out in the 45947 Order with the information provided in Petitioner’s Semi-Annual Report.

Ms. Baker reviewed and verified Petitioner’s GCT adjustment factor and bill impact. Ms. Baker also raised the issue that there could be impacts on future GCT tracker filings due to the Department of Energy’s Order No. 202-25-12. Ultimately, Ms. Baker did not oppose Petitioner’s proposed GCT Adjustment factors.

5. Commission’s Discussion and Findings. Based on the evidence presented, the Commission finds that Petitioner’s GCT Adjustment factors were calculated consistent with the requirements of the 45947 Order (as modified in the GCT 1 Order) and approves Petitioner’s proposed GCT Adjustment factors for electric services rendered on or after May 1, 2026. Mr. Blissmer sponsored Attachment 1-A, Attachment A, Schedule 1 of Petitioner’s Exhibit 1 reflecting the GCT Adjustment factors. He testified that the proposed factor will add \$1.87 to a 672 kWh residential bill and will add \$2.79 to a 1,000 kWh residential bill.

IT IS THEREFORE ORDERED BY THE INDIANA UTILITY REGULATORY COMMISSION that:

1. Petitioner’s requested GCT Adjustment factors to be applicable to electric services rendered on or after May 1, 2026 are approved.

2. Prior to implementing the rates approved in this Order, Petitioner shall file the tariff and applicable rate schedules under this Cause for approval by the Commission’s Energy Division. Such rates shall be effective on or after the Order date subject to Division review and agreement with the amounts reflected.

3. This Order shall be effective on and after the date of its approval.

ZAY, DEIG, SWINGER, VELETA, AND ZIEGNER CONCUR:

APPROVED: MAR 25 2026

I hereby certify that the above is a true and correct copy of the Order as approved.

_____ on behalf of
Dana Kosco
Secretary of the Commission